

Aanii Waganakising Odawak and hello Little Traverse Bay Bands of Odawa Indians,

Fiscal Year 2012 saw continued progress in the financial condition of LTBB and its impact on services. We improved on most revenue sources and, coupled with managing expense growth, we realized improved results of operations.

I would like to acknowledge that although our financial position is strong and able to sustain our growth and gives LTBB a good position to take advantage of future exciting directions towards opportunities, we also face important challenges. Our principal revenue sources are more volatile than in the past, and our funding model may come under pressure in a still uncertain U. S. economic climate and the changing competitive landscape for grants. At the same time, we must continue addressing the need to rebuild and renew ourselves.

As a result, we look forward to fiscal change in year 2013, and beyond, with a continued commitment to balancing LTBB's aspirations with prudent fiscal management and stewardship. The Accounting department has installed the new Sage accounting system and software for more efficient management of accounting, customers, inventory, services, jobs and employees all at their fingertips.

Based on a stabilized performance from the Odawa Casino Resort, the Tribe anticipates continuing to receive its Annual Service Payment of approximately \$13 million a year. Tribal Council is committed to the due diligence in monitoring casino revenue and the tribal budget, to that end Tribal Council added an amendment to 2005-014 Tribal Treasurer Responsibilities that gave the Treasurer more unilateral ability to converse and interact with the Executive branch and Accounting. Also, the Tribal Council has budgeted into the FY 2014 budget a percentage of revenues from the casino to actually be used toward debt reduction.

The Appropriations and Finance Committee propose changes to the outdated long-term investments plan by developing an "Investment Policy Statement" that gives our investment managers their marching orders to be more actively-managing funds in our portfolio as well as evaluating the percentage of funds invested in each investment asset category.

As always, the commitment and dedication of the Accounting department, the governmental staff and the Citizens themselves will continue to be the most valuable assets of LTBB in successfully navigating future challenges and opportunities.

FY 2012 Year End Audit will be completed by the end of June and available to the LTBB Citizens shortly afterward. Those wishing a copy are encouraged to contact the Executive office for more information.

John Bott, Tribal Council Treasurer